



**OFFICE OF THE
CITY AUDITOR**

**REPORT OF ACTIVITIES AND FINDINGS
FOR THE PERIOD
MARCH 16 THROUGH APRIL 15, 2006**

A REPORT TO THE SAN JOSE CITY COUNCIL



Office of the City Auditor
Gerald A. Silva, City Auditor

April 25, 2006

Honorable Members of the City Council
200 East Santa Clara Street
San Jose, CA 95113

In accordance with Charter Section 805(e), I am submitting a written report of the Office of the City Auditor's activities for the period of March 16 through April 15, 2006 and schedule of audit costs for March 2006.

The monthly report contains the following sections:

- Status of Assignments in Progress
- Other Activities
- Schedule of Audit Costs for March

If you need any additional information, please let me know.

Respectfully submitted,

Gerald A. Silva
City Auditor

GS:bh
Attachment

Office of the City Auditor
Status of Assignments in Progress as of April 15, 2006

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
Assignments Completed					
Review of Significant RFPs—Airport Integrated Systems RFP	N/A	N/A	Completed	N/A	February 2006
Grant Oversight	Completed	Completed	Completed	Completed	February 2006
Administration of the Investigation into the Grand Jury Report on Recycle Plus	N/A	N/A	N/A	N/A	December 2005
Workers' Compensation	Completed	Completed	Completed	Completed	December 2005
Environmental Services Department Laboratory	Completed	Completed	Completed	Completed	October 2005
The Fil-Am SODC, Inc.'s Cash Flow Analysis for the Operation of the Northside Community Center	N/A	N/A	Completed	Completed	October 2005, November 2005
Joint Memorandum with the Finance and ES Departments on Workers' Compensation Liability	N/A	N/A	Completed	Completed	October 2005
2005-06 Marked Patrol Sedan Budget Reduction	N/A	N/A	Completed	Completed	September 2005
Update on Northside Community Center Operations	N/A	N/A	Completed	Completed	September 2005
Quarterly Sales Tax Audit for Quarter Ended 6/30/05, 9/30/05	N/A	N/A	On-going	Completed	September 2005, January 2006
Police Patrol Vehicle Contingency	N/A	N/A	Completed	Completed	August 2005
Assignments In Progress					
Follow-up of Transport & Metered Equipment Audit Recommendations	N/A	N/A	In Progress		May 2006
San Jose Municipal Water System – Phase Two	Completed	Completed	Completed	Completed	May 2006
Public Works Transportation Contract Cycle Times	Completed	Completed	Completed	In Progress	June 2006
Traffic Calming	Completed	Completed	Completed	In Progress	June 2006
Arena Management	Completed	Completed	In Progress		
Purchase Card Utilization	Completed	Completed	In Progress		
Northside RFP	N/A	N/A	In Progress		
Re-Use Strategy RFP	N/A	N/A	In Progress		
TEAM San Jose	Completed	In Progress			
City Debt & Investment Program	In Progress				
Redevelopment DDAs	In Progress				
Housing Rehabilitation ***	In Progress				
Assignments Not Yet Started					
Call Center Information and Referral Services					
Los Lagos Golf Course Operations and Finances					
Public Works Cost Estimation Process					
Vehicle Maintenance Procedures					
Specialized Vehicle Use					
A Comparison of the Real Estate Division & RDA Real Property Acquisition Process					
Risk Management					
Police Overtime					
Police & Fire Retirement Plan **					
Police Department Radio Channel Staffing **					
Information Technology**					
On-going Assignments					
Quarterly Sales Tax Audit					
Review of significant RFPs					
Cardroom Audit Overview					
Audit Recommendation Follow-up Report					
Annual Financial Audit & Single Audit Overview					
Other Revenue Audits					
Petty Cash and Change Funds					
Information Systems Audits					
Fraud and Audit Hotline					

* Projected Issuance Dates are usually six weeks after Report Writing is completed to accommodate exit conferences, draft report revisions and a three week allowance for the administration to prepare a written response. For the Assignments Completed, the date shown is the actual month of report issuance.

** Deferred

*** On Hold

OTHER ACTIVITIES

During March 16, 2006 through April 15, 2006, the City Auditor:

1. Issued *Sales Tax Audit Results For The Quarter Ended December 31, 2005*
2. Added *An Audit of the City's Investment and Debt Administration* to the City Auditor's 2005-06 Audit Workplan.
3. Attended a meeting of the Advisory Council on Government Auditing Standards in Washington, D.C.
4. Taught a class on *Risk Assessment* for the Association of Government Accountants.
5. Met with City Manager's Office staff regarding RFPs.
6. Met with the City Attorney regarding our audit of City credit card usage.
7. Participated in conference calls regarding the National Association of Local Government Auditors' (NALGA) and the National Intergovernmental Audit Forum (NIAF) 2006 conventions, which will be held in San Jose in May 2006.
8. Participated in a meeting regarding the development of the City's RFP Procurement Manual.
9. Staff member Mike Edmonds conducted a peer review of the Tallahassee City Auditor's Office.
10. Staff met with the Grant Oversight Working Group.
11. Staff met with PRNS to discuss the Northside RFP and Re-use RFPs.
12. Met with City Council Members regarding various audit assignments.

**OFFICE OF THE CITY AUDITOR
SCHEDULE OF AUDIT COSTS
FOR THE MONTH OF MARCH 2006**

Audit Assignment	Audit Hours	Audit Costs	%¹
Vacation, Sick, and Other Leaves	278	\$20,668	8.9%
Contract Cycle Times	278	20,668	8.9
TEAM San Jose	267	19,849	8.6
San Jose Municipal Water System	251	18,660	8.0
Sales and Business License Taxes ²	367	15,911	6.9
Traffic Calming	198	14,720	6.3
Community Center Re-Use RFP	196	14,571	6.3
Northside Community Center	188	13,976	6.0
City Purchase Cards	182	13,530	5.8
Housing Rehabilitation	162	12,043	5.2
RDA DDA – 101 San Fernando St.	132	9,813	4.2
General Services Vehicles	124	9,218	4.0
Holiday	102	7,583	3.3
Airport Terminal Area Improvement Program RFP	89	6,616	2.9
RDA DDA – Park Townsend	86	6,393	2.8
Recommendations Follow-Up	84	6,245	2.7
Training	63	4,684	2.0
PRNS Northside Community Center RFP	48	3,568	1.5
Administrative ³	47	3,375	1.4
Peer Review Reciprocation	44	3,271	1.4
Revenue Audits	30	2,230	1.0
Grant Oversight	18	1,338	0.6
Recycle Plus RFP	12	892	0.4
Internal Quality Control	12	892	0.4
Assistance to SJPd on Bay 101	9	669	0.3
Arena Fees	5	372	0.2
Totals	3,272	\$231,755	100.0%
Total Cost Per FMS	\$231,755		

¹ These may be slightly off because of rounding.

² Includes 190 intern hours

³ Includes 2 intern hours